

Factsheet December 2022



Key facts

Asset Manager

Mondriaan Asset Management B.V.

Address

Amstelplein 48
1096 BC Amsterdam
info@mondriaanstructures.com
www.mondriaanstructures.com

Legal status

Look through Mutual Fund

Fiscal status

Fiscally transparent

Security ID Codes

ISIN NL0012869317
Bloomberg MONDSTR NA

Launch date

January 1, 2018

Assets under management

EUR 105,313,913

NAV December 31, 2022

EUR 129.78

Management fee

0.72% annually

Ongoing charges

Maximum of 0.20% per year

Objective and investment policy

- The Mondriaan Structures Fund's (the "Fund") objective is to generate an average long-term return at least equal to the average long-term return of equity markets in general, however with a lower level of risk compared to a diversified equity portfolio.
- The Fund invests in a variety of structured products with a conditional capital protection ("structures").

Key developments

- Global stock markets displayed weak performance throughout the last month of 2022. The MSCI World index declined more than 7% in December, which led to a negative annual return of 13% for 2022.
- Most stock markets showed similar results meaning a loss for European equity markets of more than 4% and nearly 6% for American equities. The Japanese market declined nearly 7% during December and Emerging markets, after a strong rally in November, gave back 4% of these gains.
- The volatility of equity markets increased in December.
- The American dollar and British pound weakened against the Euro during this month.
- The Fund closed the month of December 0.33% lower than November, which results in a positive performance of 0.29% for 2022.
- The buffers to the redemption and coupon barriers have decreased this month compared to November. The conditional protection barrier is intact for 38 out of the 40 structures. The average buffer towards the protection barrier was close to 31% at the end of December. In addition, only 2 out of the 40 structures have a negative buffer to the coupon barrier.
- During December, 1 structure expired at nominal value as well as 6 other structures were terminated early including their coupon payment. Also 1 structure has been sold prior to maturity in order to reduce risk.
- Multiple coupon payments have been paid throughout December.
- These revenues have been reinvested in 6 new structures throughout the month with relative high coupons.

Performance chart



To put the Mondriaan Structures Fund's performance into perspective, price developments of the Euro STOXX 50, the MSCI ACWI-index (both including net dividends) and the FTSE Euro Broad Investment-Grade Bond Index (EuroBIG) are also shown in the chart.

Monthly performance

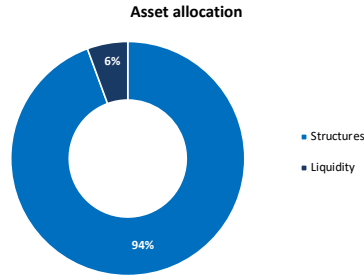
Jaar	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Aug	Sep	Okt	Nov	Dec	YTD
2018	0.88%	-1.04%	-0.86%	3.72%	-0.29%	-0.50%	2.30%	-0.60%	2.00%	-5.11%	2.59%	-6.00%	-3.35%
2019	9.23%	3.54%	1.26%	1.84%	-3.65%	3.98%	1.28%	-1.56%	2.31%	1.86%	0.84%	1.22%	23.91%
2020	-0.92%	-4.53%	-19.98%	9.38%	3.93%	3.44%	2.41%	2.88%	-0.97%	-1.38%	10.03%	0.65%	1.44%
2021	-0.73%	2.01%	2.59%	0.50%	0.84%	0.93%	-1.90%	0.58%	-1.30%	2.63%	-2.18%	2.52%	6.52%
2022	-0.43%	-1.64%	-3.17%	-1.26%	2.54%	-2.04%	4.66%	0.10%	-5.95%	1.84%	6.76%	-0.33	0.29%

The monthly returns shown in the table above take into account the management fee and the ongoing charges.

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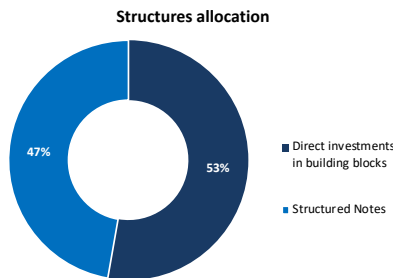
Asset allocation

Generally, the Fund is fully invested, however there is no direct obligation for investment. In order to limit the counterparty risk on liquidities, a maximum of 25% of the value of the Fund may be invested in cash.



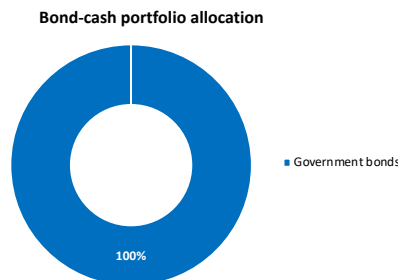
Structures allocation

The Fund invests in structured investment products which consist of fixed-income instruments combined with an OTC derivative. The Fund may invest directly in a privately issued product combining the two building blocks ("structured notes") or may invest directly in the underlying building blocks by acquiring fixed-income instruments and directly entering into a related derivative transaction.



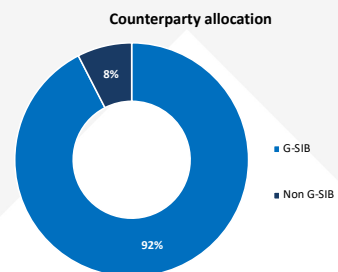
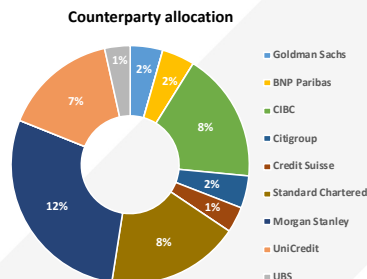
Counterparty allocation – Direct investment in building blocks

When the Fund invests directly in the two building blocks of a structure, there are certain conditions that need to be met. At least 50% of the bond portfolio shall consist of government bonds. In addition to government bonds, investments may be made in corporate bonds and cash. For the corporate bonds there is a limit of 25% to be invested in a specific sector.



Counterparty allocation – Investment in structured notes

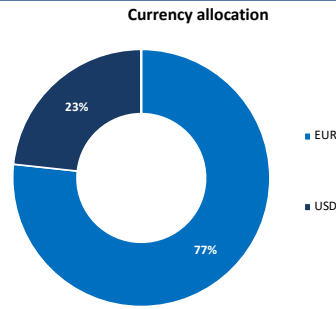
The counterparty is responsible for payment of the coupons and the payment of the notional at maturity. The exposure to a single counterparty is limited to 20% at the moment of the transaction. Additionally, a minimum of 75% of the value of invested structures is issued by a counterparty that is considered a global systemically important bank (G-SIBs).



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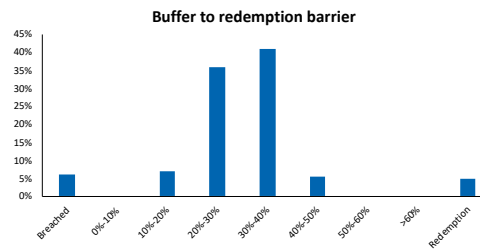
Currency allocation

The base currency of the Fund is euro. The Fund can invest in other currencies. The alternatives are limited to large world currencies and the Fund needs to adhere to a minimum allocation in the euro of 50%.



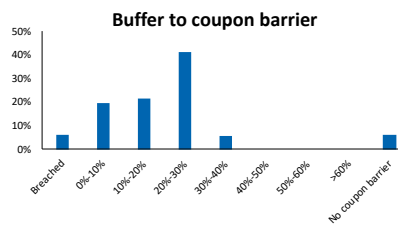
Buffer to redemption barrier

The buffer to the redemption barrier is the percentage that the underlying assets can decrease in value until the redemption barrier is breached and the conditional capital protection is cancelled. The initial buffer for all traded structures is at least 40%. Structures with a breached redemption barrier can be re-structured to create a new buffer.



Coupon

The current average annual coupon is 12.54%. The management fee and the other ongoing costs are not taken into account. The coupons of all new structures have a built-in “memory” effect. The memory effect ensures the payment of previously missed coupons, subject to coupon barrier conditions.

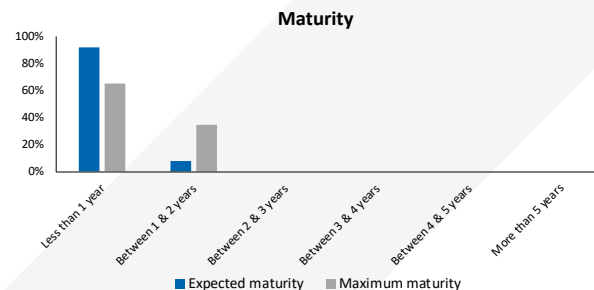


The buffer to the coupon barrier is the percentage that the underlying assets can decrease in value until the coupon barrier is breached and coupon payments are halted. The initial coupon barrier for all structures is at least 0%.

We refer to the below scenario analysis for more information concerning possible performance developments.

Maturity

The maximum maturity is 10 years. If none of the structures are called for early redemption, the average maturity is approximately 0.7 years with a maximum maturity of 1.5 years. Approximately 94% of the structures within the portfolio have the chance of an early redemption. Based on the current levels of the underlying assets 34% of the structures will be called for early redemption.



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Scenario analysis

The following table shows the total returns of the current structures at maturity, assuming a one-time direct price movement in all underlying assets. The analysis is made under the assumption that the Fund does not re-invest cashflows and all counterparties fulfill their obligations. The current value of the structures is the starting point, whereas costs are not taken into account. The GRY (gross redemption yield) shows the average annual returns of the current structures assuming they are held until maturity.

Direct price movement underlying assets	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
Sum of payments at maturity	54.6%	78.6%	104.2%	109.4%	106.2%	104.5%	104.4%	104.7%	105.8%
Average maturity structures	0.8	0.9	0.8	0.7	0.4	0.2	0.2	0.2	0.2
GRY (Gross Redemption Yield)	-50.4%	-23.9%	5.6%	13.4%	16.7%	21.2%	25.3%	28.2%	35.7%

For example, in the scenario where we assume the underlying assets do not change in price (direct price movement 0%) the sum of all coupon and final redemption payments are 6.2% higher than the current value. The average maturity of the coupons and redemptions is approximately 0.4 years. This results in an average annual return of 16.7%.

Disclaimer

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If you are interested in becoming an investor into the Mondriaan Structures Fund, you are strictly advised to contact an (independent) investment and/or fiscal advisor prior to making an investment decision. Potential investors should further refer to the prospectus of the Mondriaan Structures Fund to ascertain all the risks and terms associated with the investment.

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